

LABOUR SHORTAGES PERMANENT BY 2010. MANAGERS MUST PREPARE: DRAKE REPORT

Melbourne, March 16 2007 - A white paper released today by Drake predicts Australia will face permanent labour shortages due to the country's ageing population, making it even harder for HR Managers to fill job vacancies in the future.

Severe labour shortages are already being felt in the skilled trades, education, health, automotive and transport and distribution sectors.

Drake expects this trend will become more widespread over the next five years due to Australia's falling fertility rate and current immigration levels. This could lead to permanent shortages as the number of new people entering the workforce declines while the baby boomer cohort retires simultaneously.

Drake's white paper titled: 'The Age Chasm - successfully managing age in your organisation,' shows growth in the supply of labour will be firmly concentrated in the group aged 45 years and over for the foreseeable future.

Dominic Toledo, Corporate Assistant for Drake, said Australia's labour market composition would change dramatically over the next few years. "We estimate 85% of all workforce growth will be supplied by people aged 45+ by 2012, up from 32% in 1992. This is a phenomenal shift in just 20 years demonstrating how fast the population is ageing."

He urged HR Managers to consider how they would structure their workforces in the future to attract and retain older workers and ensure ongoing productivity.

"While age-related labour and skills shortages are inevitable they're not insurmountable," Toledo said. "Adapting early to the labour supply problem will help mitigate some of the risks."

"Organisations that are prepared and have effective strategies in place will have a huge competitive advantage over those that take a 'head-in-the-sand' approach. These companies stand to suffer substantial profit impacts. If you haven't got the people you can't produce the goods," Toledo warned.

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Nationally, Australia's gross domestic product (GDP) growth could fall by 1.5% in the coming decades if businesses don't take a proactive approach to ageing.

To prepare for the future, Drake's white paper encourages HR Managers to assess their organisation's current age profile, review recruitment and induction processes for their 'age-friendliness' and explore new approaches to skill development that promote retention past current retirement ages.

Louise Rolland, Professor of Ageing and Work at Melbourne's Swinburne University, said HR Managers should also consider the non-monetary benefits they can offer.

"Flexible work hours, good corporate culture, work/life balance, education programs and child minding facilities are all highly-regarded by candidates. Organisations that can provide employees with a swag of these benefits will be more competitive in a labour tight market and far less exposed to wage pressures."

While permanent labour shortages are still five years away, a survey recently conducted by Drake confirmed that many companies are already feeling the pinch. Of the 475 firms interviewed 66% said they were currently experiencing 'difficulty' filling jobs.

"Increasing the participation rate of workers aged 45 and over will help boost labour supply and ease shortages. Australia needs to make most of what it's got," Toledo suggested.

Drake's latest white paper: 'The Age Chasm - successfully managing age in your organisation,' moves beyond highlighting the risks to propose a range of practical solutions. It is available at no cost to all HR Managers along with a complimentary 'age-risk' assessment.

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Interview opportunities and high-resolution images of Dominic Toledo are available on request.

Media enquiries:

Dominic Eggers
Senior National Marketing Co-ordinator
Drake
Corporate Marketing
Level 40, 55 Collins St
Melbourne, VIC, 3000

Phone: (03) 9245 0243
Fax: (03) 9245 0430
Mobile: 0400 11 9906
www.drakeintl.com

About Drake

Drake is a leading provider of staffing solutions that solve business problems for Australian organisations. Established in Canada in 1951, Drake operates in 11 countries around the world.

More than a recruitment company, Drake is recognised as a world leader by business decision makers, for its expertise in enabling organisations to improve their profitability and productivity through flexible staffing, permanent recruitment, training and development, and by using innovative technologies.

Drake's extensive network of services meets the diverse needs of the market and is geared towards solving real business problems for Australian organisations. In its 52 year history, Drake's business philosophy has remained unchanged – invest in your people today so they can grow your business tomorrow and into the future.